Exhibit R-2, PB 2010 Office of Secretary Of Defense RDT&E Budget Item Justification									DATE: May 2009	
APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)					R-1 ITEM NOMENCLATURE PE 0603942D8Z Technology Transfer					
COST ($ in Millions)	**FY 2008 Actual**	**FY 2009 Estimate**	**FY 2010 Estimate**	**FY 2011 Estimate**	**FY 2012 Estimate**	**FY 2013 Estimate**	**FY 2014 Estimate**	**FY 2015 Estimate**	**Cost To Complete**	**Total Cost**
Total Program Element	7.119	5.738	2.219						Continuing	Continuing
P942: Technology Link	7.119	5.738	2.219						Continuing	Continuing

A. Mission Description and Budget Item Justification

Defense Technology Transfer was referred to in previous budgets as Defense Technology Link (TechLink). This program title change serves to distinguish the Technology Transfer program from one of the program's successful contractors, TechLink of Montana State University.

DoD's Domestic Technology Transfer Program facilitates the transfer of DoD technologies to U.S. businesses for the continued research, development, and production to meet military requirements, as well as commercial applications, through the use of technology transfer mechanisms such as Cooperative Research and Development Agreements (CRADAs), Patent License Agreements (PLAs), Educational Partnership Agreements (EPAs), and State/Local Government partnerships. Partnership Intermediaries facilitate technology transfer efforts on a decentralized/ regional basis. A partnership intermediary, called TechLink, assists the DoD in its technology transfer efforts.

Technology Transfer is cost-effective and has provided a return on the investment to DoD of 4:1 on funds expended to date. This organization accounts for about 30 percent of all DoD patent license agreements (PLAs) and has brokered over 400 Cooperative Research and Development Agreements (CRADAs) and other Research and Development (R&D) partnerships involving innovative companies new to DoD.

Exhibit R-2, PB 2010 Office of Secretary Of Defense RDT&E Budget Item Justification	DATE: May 2009
APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603942D8Z Technology Transfer

B. Program Change Summary ($ in Millions)

	FY 2008	FY 2009	FY 2010	FY 2011
Previous President's Budget	5.784	2.170	2.259	
Current BES/President's Budget	7.119	5.738	2.219	
Total Adjustments	1.335	3.568	-0.040	
Congressional Program Reductions				
Congressional Rescissions		-0.032		
Total Congressional Increases		3.600		
Total Reprogrammings	1.500			
SBIR/STTR Transfer	-0.153			
Internal realignment of funds	-0.012		-0.011	
Other			-0.029	

Congressional Increase Details ($ in Millions)

	FY 2008	FY 2009
Project: P942, **Firstlink** FirstLink is officially called the Department of Defense's National Center of Excellence for Commercialization and Technology Transfer for First Responder Technologies.	0.000	2.000
Project: P942, **MilTech Expansion Program** MilTech Expansion is an effort to facilitate Technology Transfer functions, focused specifically on providing critical engineering, manufacturing, and business development assistance to small companies. The FY 2008 congressional add was misplaced against a DARPA Program Element (PE) and was reprogrammed into the Technology Transfer PE.	0.000	1.600

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COST ($ in Millions)	**FY 2008 Actual**	**FY 2009 Estimate**	**FY 2010 Estimate**	**FY 2011 Estimate**	**FY 2012 Estimate**	**FY 2013 Estimate**	**FY 2014 Estimate**	**FY 2015 Estimate**	**Cost To Complete**	**Total Cost**
P942: Technology Link	7.119	5.738	2.219						Continuing	Continuing

A. Mission Description and Budget Item Justification

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DoD's Domestic Technology Transfer Program facilitates the transfer of DoD technologies to U.S. businesses for the continued research, development, and production to meet military requirements, as well as commercial applications, through the use of technology transfer mechanisms such as Cooperative Research and Development Agreements (CRADAs), Patent License Agreements (PLAs), Educational Partnership Agreements (EPAs), and State/Local Government partnerships. Partnership Intermediaries facilitate technology transfer efforts on a decentralized/ regional basis. A partnership intermediary, called TechLink, assists the DoD in its technology transfer efforts.

Technology Transfer is highly cost-effective with elements of T2 achieving Return on Investment (ROI) to DoD. For example, TechLink and has provided a ROI to DoD of 4:1 on funds expended to date. This organization currently accounts for 30 percent of all DoD patent license agreements (PLA) and has brokered over 400 Cooperative Research and Development Agreements (CRADA) and other Research and Development (R&D) partnerships involving innovative companies new to DoD.

B. Accomplishments/Planned Program ($ in Millions)	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Dual Use Technology Development	0.552	0.561	0.584	
Actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. This activity will particularly focus on nontraditional defense contractors and is intended (1) to help lower the expense of new defense-related technology development through cost-sharing with industry, and (2) to help DoD benefit from private-sector technology investments and innovations.				
FY 2008 Accomplishments: Actively promoted and brokered Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. Continued to provide critical support to DoD labs by facilitating 30% of all of DoD's Patent License Agreements (PLAs) for the fiscal year. Also brokered over 35 new CRADAs between DoD labs				

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APPROPRIATION/BUDGET ACTIVITY 0400 - Research, Development, Test & Evaluation, Defense-Wide/BA 3 - Advanced Technology Development (ATD)	R-1 ITEM NOMENCLATURE PE 0603942D8Z Technology Transfer		PROJECT NUMBER P942

B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
and industry, thereby enabling DoD and industry to leverage technology development efforts by both parties. *FY 2009 Plans:* Continue to actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. Broker new CRADAs between DoD labs and industry, thereby enabling DoD and industry to leverage technology development efforts by both parties. *FY 2010 Plans:* Continue to actively promote and broker Cooperative Research and Development Agreements (CRADAs) between DoD labs and industry for development of technology with both commercial and military applications. Broker new CRADAs between DoD labs and industry, thereby enabling DoD and industry to leverage technology development efforts by both parties.				
Marketing of DoD technologies Actively market DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. The multiple objectives of this technology marketing activity are to (1) accelerate the transition of DoD-developed technologies to the warfighter; (2) lower the cost of DoD technology acquisition by developing a larger commercial market for dual-use technologies; (3) provide a return of revenue to DoD labs from commercial spin-off of defense technologies; and (4) fulfill DoD's Congressionally mandated technology transfer directives. *FY 2008 Accomplishments:* Actively marketed DoD-developed technologies to US companies and established Patent License Agreements to commercialize these technologies for both civilian and military applications. As an example, TechLink (Montana State University)), the Technology Transfer contractor, facilitated two licensing agreements for a revolutionary new Navy-developed corrosion prevention compound known as "Navguard." Developed by the Naval Air Systems Command - Patuxent River, this technology	1.300	1.295	1.320	

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B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
promises to save the DoD millions of dollars annually in its corrosion prevention on military air frames, ships, and ground vehicles. TechLink marketed Navguard nationally. Two companies decided to license the technology for commercialization: Armick, Inc. of Kentwood, MI - which offers contract cleaning and corrosion-control services for military and civilian aircraft; and Corrosion Technologies Corporation of Dallas, TX - which offers a full line of rust and corrosion control products for military, defense industry, and other customers. *FY 2009 Plans:* Continue active marketing of DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications. *FY 2010 Plans:* Continue active marketing of DoD-developed technologies to US companies to establish Patent License Agreements to commercialize these technologies for both civilian and military applications.				
Spin-In of Advanced Commercial-Sector Technologies Actively promote the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies throughout the United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems. *FY 2008 Accomplishments:* Actively promoted the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies throughout the United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems. As an example, TenXsys, Inc. is a technology firm in Eagle, ID that specializes in networked sensor systems for biological monitoring. TechLink (Montana State University), the Technology Transfer contractor, assisted TenXsys in winning US Army Research Institute of Environmental Medicine	0.304	0.302	0.315	

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B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
sponsored Phase I and II SBIR awards for an advanced physiological monitoring system for amputees that accelerates the rehabilitation of soldiers with prothestic devices. To help TenXsys with further development of its Phase II technology, TechLink supported TenXsys in meetings with In-Q-Tel, the Central Intelligence Agency's venture capital arm. As a result of these interactions, In-Q-Tel made a major investment in TenXsys to support development of specialized field-capable advanced telemetry technology in support of US intelligence activities. *FY 2009 Plans:* Continue to actively promote the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies throughout the United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems. *FY 2010 Plans:* Continue to actively promote the DoD Small Business Innovation Research (SBIR) (focus on Phase III contracts) and Independent Research and Development (IR&D) programs to companies throughout the United States in order to help DoD identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems.				
FirstLink FirstLink - a congressionally added effort - is officially called the Department of Defense's National Center of Excellence for Commercialization and Technology Transfer for First Responder Technologies. *FY 2008 Accomplishments:* FirstLink assessed user needs and priorities, collected and evaluated potential DoD technologies for first responder use, identified non-DoD technologies that address DoD and first responder needs, and created and executed a marketing plan for these technologies. Measures of success include technologies made available for first responder use.	1.539	1.989	0.000	

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B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
FY 2009 Plans: Assess user needs and priorities, collect and evaluate potential DoD technologies for first responder use, identify non-DoD technologies that address DoD and first responder needs, and create and execute a marketing plan for these technologies. Measures of success include technologies made available for first responder use.				
MilTech Expansion Program MilTech Expansion is a congressionally added effort to facilitate Technology Transfer functions, focused specifically on providing critical engineering, manufacturing, and business development assistance to small companies. MilTech is a non-profit entity of Montana State University. *FY 2008 Accomplishments:* Assisted the transition of technologies from innovative small companies to DoD operational use, supporting the Technology Transfer functions of marketing of DoD technologies, dual use technology deployment, and spin-in of advanced commercial-sector technologies. As an example, MilTech (Montana State University), the Technology Transfer contractor, helped Crimson Trace Corporation, Beaverton, OR, to ruggedize and waterproof its "Lasergrips" sighting system for pistols. Squeezing the pistol grips activates an eye-safe red laser beam that indicates precisely where the pistol is pointing. This device reduces pistol training time, discourages would-be attackers, and increases lethality. Special Operations Command (SOCOM) and other DoD branches asked Crimson Trace to enhance the Lasergrips by ruggedizing the switch mechanism and making the circuitry waterproof. Crimson Trace lacked the in-house expertise to undertake design modifications requested by DoD. MilTech assisted by working with a design group familiar with military specifications, and Crimson Trace selected among three design options. The result was a collaborative effort that resulted in improved technology to meet DoD needs and was applicable to civilian requirements.	1.500	1.591	0.000	

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B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
FY 2009 Plans: Will assisted the transition of technologies from innovative small companies to DoD operational use, supporting the Technology Transfer functions of marketing of DoD technologies, dual use technology deployment, and spin-in of advanced commercial-sector technologies. As as example, MilTech will help Crimson Trace Corporation, Beaverton, OR, to ruggedize and waterproof its "Lasergrips" sighting system for pistols. Squeezing the pistol grips activates an eye-safe red laser beam that indicates precisely where the pistol is pointing. This device reduces pistol training time, discourages would-be attackers, and increases lethality. SOCOM and other DoD branches asked Crimson Trace to enhance the Lasergrips by ruggedizing the switch mechanism and making the circuitry waterproof. Crimson Trace lacked the in-house expertise to undertake design modifications requested by DoD. MilTech assisted by working with a design group familiar with military specifications, and Crimson Trace selected among three design options. The result is a collaborative effort that resulted in improved technology to meet DoD needs and was applicable to civilian requirements.				
Springboard Spring Board is a congressionally added effort to facilitate technology transfer from the DoD laboratories to the commercial sector in Alaska. The goal is to ensure commercial production of technology developed in DoD so it can be inserted into DoD items through the normal acquisition process. (FY 2008 Congressional add amount is modified for appropriation general provisions, including FY 2008 Sec 8025(f), 8097, and 8104.) *FY 2008 Accomplishments:* Actively promoted the DoD Small Business Innovation Research (SBIR) and Independent Research and Development (IR&D) programs to companies in Alaska and throughout the U.S. in order to help identify, fund, acquire, and integrate private-sector innovations and advanced commercial technologies into DoD systems. As an example, Springboard brokered a Patent License Agreement (currently in legal review) between the U.S. Army Engineer Research and Development Center's (ERDC) Construction Engineering	1.924	0.000	0.000	

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B. Accomplishments/Planned Program ($ in Millions)	FY 2008	FY 2009	FY 2010	FY 2011
Research Laboratory (CERL) in Champaign, Ill and Staser Group, Anchorage, AK for the "Builder" software tool. "Builder" is one of a suite of Engineered Management Systems (EMS) developed by the Army that provide a set of integrated decision support tools for prioritizing infrastructure maintenance and report. As an example, Springboard brokered a Patent License Agreement (currently in legal review) between the U.S. Army Engineer Research and Development Center's (ERDC) Construction Engineering Research Laboratory (CERL) in Champaign, Ill and Staser Group, Anchorage, AK for the "Builder" software tool. "Builder" is one of a suite of Engineered Management Systems (EMS) developed by the Army that provide a set of integrated decision support tools for prioritizing infrastructure maintenance and report.				

C. Other Program Funding Summary ($ in Millions)

N/A

D. Acquisition Strategy

Not applicable for this item.

E. Performance Metrics

For FY 2008: established patent license agreements (PLAs) totaling approximately 30 percent of all DOD PLAs and assist in the brokering of over 400 Cooperative Research and Development Agreements (CRADAs)

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For FY 2010: establish patent license agreements (PLAs) totaling approximately 30 percent of all DOD PLAs and assist in the brokering of over 400 Cooperative Research and Development Agreements (CRADAs)